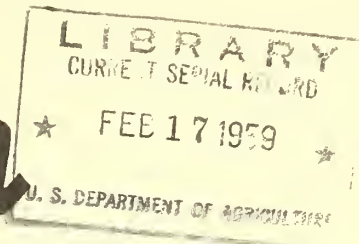


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# Foreign CROPS AND MARKETS

FOR RELEASE MONDAY, FEBRUARY 16, 1959

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UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON 25, D.C.

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## WHEAT SCARCE AND PRICES HIGH IN SOME PARTS OF INDIA

Owing to unusual scarcity of food grains in the state of Punjab early in January, the prices of locally grown wheat in that state, in New Delhi, and in the entire federal area of Delhi rose from around 19 rupees per maund (\$2.92 per bushel) to over 24 rupees per maund (\$3.68 per bushel). This was an increase of 26 percent. Prices of other food grains also rose.

Part of the wheat price increase reflects the annual seasonal upswing at the end of the harvest, but it was due mainly to unusual general scarcity of food grains in those areas aggravated by hoarding in both rural and urban districts. This has created serious food difficulties, including protest demonstrations and marches in Delhi and various cities and smaller communities in the Punjab. The price situation in Delhi and the Punjab also caused some increases in food grain prices in the neighboring states of Uttar Pradesh and Himachol Pradesh.

To alleviate the situation, the Central Government increased the flow of imported wheat to Delhi and Punjab, where this wheat was made available in fair-price shops at 14.5 rupees per maund (\$2.23 per bushel). The Government also increased the number of fair-price shops in these areas. These actions have reduced the prices of local wheat from 2 to 3 rupees per maund (31 to 46 cents per bushel), but the situation is still very difficult. In Uttar Pradesh indigenous wheat is now selling at 25 rupees per maund (\$3.84 cents per bushel).

The conditions now existing in these 4 areas are an acute manifestation of the wheat supply and price situation that has been prevailing generally in India in recent years. Production of the most important food grains declined around 10 percent in 1957-58 from 1956-57 (July-June). The 1957-58 wheat crop (harvested in May 1958) was not quite 18 percent smaller than that of 1956-57. At the same time, increasing population and consumer purchasing power and government encouragement of greater domestic consumption of wheat at the expense of rice have caused both total and per capita consumption of wheat to rise rapidly.

Consequently, there has been a growing scarcity of wheat in India, and market prices have been rising since the middle of 1957. Steps which the government has taken, such as increasing the allotments of food grains from government stocks for deficit areas, tightening of credit against these grains, rationing, increasing the number of fair-price shops in areas of unusually high prices, and forbidding flour mills from buying bread grains on the open market, have not restricted food grain prices.

Since the farmers had during most of the 1956-57 and 1957-58 marketing seasons been selling their wheat at regular market prices considerably above the guaranteed minimum government purchase price of 10 rupees per maund (\$1.57 per bushel), the government announced no guaranteed minimum price for 1958-59.

A result of the relative scarcity of food grains in India during the last 2 years has been an increase in that country's wheat imports from 75.9 million bushels in 1956-57 to 112 million bushels in 1957-58. Sixty-seven percent of the 1956-57 imports and 84 percent of the 1957-58 imports came from the United States.

#### WEST GERMANY FURTHER LIBERALIZES CERTAIN DOLLAR AGRICULTURAL IMPORTS

West Germany at the beginning of January 1959, further liberalized the imports of certain agricultural commodities from the dollar area. At the same time, tariffs on several farm commodities have been reduced, following the extension to other OEEC and GATT members of the first round of tariff reductions to Common Market countries.

The principal commodities liberalized are: dried currants, raisin variety grapes, sultanas, fruit preserves, lemon, orange and grapefruit juices, clover and other seeds, beans and peas, various meat preparations, and poultry offals.

Tariff reductions amounting generally to 10 percent affect meat and edible offals, butter, honey, fresh and frozen fruits, fresh and frozen vegetables, lard, fruit preserves and fruit juices.

#### COLLECTIVIZATION PROCEEDING IN EAST GERMANY

The East German Communist regime is continuing to proceed toward wholesale collectivization of agriculture, according to reports of the East German news agency ADN published by Deutsche Bauernzeitung on January 8.

After a period of relaxation in 1956 and 1957, about 3,100 new collectives were established in 1958 under massive political and economic pressure and continuous propaganda, the farm paper stated. By the end of last year 338,695 members were in 9,518 agricultural collectives which covered a 5.4 million acres, or one-third of the total agriculturally used area. Deutsche Bauernzeitung reported discontent and resistance on the part of farmers within the collectives.

# ITALY'S TOBACCO IMPORTS UP, EXPORTS DOWN, IN 1958

Italy's imports of unmanufactured tobacco, according to official trade statistics, totaled 12.0 million pounds in January-September 1958, compared with 5.6 million for the first 9 months of 1957. Exports, on the other hand, were somewhat lower in January-September 1958 than in the comparable period a year earlier--19.0 million compared with 22 million pounds. Imports from the United States totaled 1.5 million pounds in 1958, whereas none were reported for 1957; exports to the United States, at 2.5 million pounds, in 1958, compared with 3.2 million in 1957. Italy exports only oriental leaf to the United States.

## TOBACCO, UNMANUFACTURED: Italy, imports and exports January-September 1957 and 1958

Country	Imports		Exports	
	Jan.-Sept. 1957	Jan.-Sept. 1958	Jan.-Sept. 1957	Jan.-Sept. 1958
	1,000 <u>pounds</u>	1,000 <u>pounds</u>	1,000 <u>pounds</u>	1,000 <u>pounds</u>
Common Market:				
France .....	--	--	740	--
Germany, West.....	--	--	6,528	5,025
Netherlands.....	5	--	3,718	2,593
Belgium.....	--	--	--	203
Common Market Total.....	5	--	10,986	7,821
Bulgaria.....	1,846	--	--	--
Greece.....	1,052	5,076	--	--
Turkey.....	2,658	3,198	--	--
Egypt.....	--	--	1,257	1,014
Switzerland.....	--	--	884	346
Portugal.....	--	--	1,223	1/
Sweden.....	--	--	653	1/
Yugoslavia.....	--	2,138	--	--
United Kingdom.....	--	--	468	552
United States.....	--	1,548	3,210	2,469
Other.....	--	--	3,402	6,761
GRAND TOTAL.....	5,561	11,960	22,083	18,963

1/ If any, included in other.

Source: Statistica Mensile del Commercio Con L'Estero.

FEDERATION FIRE-CURED EXPORTS  
SLIGHTLY LOWER IN 1958

Exports of dark fire-cured tobacco from the Federation of Rhodesia and Nyasaland declined slightly in the first 10 months of 1958 to 18.4 million pounds compared with 18.6 million pounds exported in the same months of 1957. Shipments to both major markets, the United Kingdom and the Belgian Congo were considerably lower in January-October 1958 than in January-October 1957. Exports to several smaller markets in January-October 1958, however, were larger than in the same months of 1957.

TOBACCO, UNMANUFACTURED: Federation of Rhodesia and Nyasaland,  
exports of dark fire-cured by country of destination,  
January-October 1957 and 1958  
(Export weight)

Country of destination	January-October	
	1957	1958
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
United Kingdom.....	7,020	6,401
Sierra Leone.....	1,175	1,532
Netherlands.....	1,475	1,515
Sweden.....	407	258
Belgian Congo.....	3,856	2,913
French Africa.....	868	1,535
Canary Islands.....	1,283	1,259
Portuguese Overseas Territories.....	885	1,069
Liberia.....	401	540
Other countries.....	1,212	1,412
Total.....	18,582	18,434

Source: Tobacco Intelligence - London

GREEK-WEST GERMAN TRADE AGREEMENT  
INCLUDES TOBACCO

The trade agreement between Greece and the Federal Republic of Germany was again renewed on November 30, 1958. This new seventh supplementary agreement was made retroactive from October 1, 1958 and will remain in force until September 30, 1959. The protocol to the new agreement provides that the West German Government will assist Greece within the framework of existing possibilities, to reduce the deficit in its trade balance by promoting in particular imports of Greek leaf tobacco, cotton and minerals.

### U. K. TOBACCO IMPORTS DOWN SLIGHTLY IN 1958

The United Kingdom imported a total of 317.2 million pounds of unmanufactured tobacco in 1958--down less than 1 percent from the 319.6 million imported in 1957. Purchases from the United States in 1958, at 164.5 million pounds, were 2 percent below the 168.2 million purchased in 1957.

The U. S. share in total imports declined to 51.9 percent in 1958 from 52.6 percent the previous year. Imports from the Federation of Rhodesia and Nyasaland and Canada were also lower last year than in 1957 but purchases from India, at 44.7 million pounds in 1958, were up 26 percent.

Landed prices (expressed in dollar equivalents) for tobacco imports for 1958 were as follows: For U. S. tobacco \$.80; for Rhodesia-Nyasaland tobacco \$.73; for Canadian \$.69; and for Indian \$.58.

### WEST GERMAN GRAIN PRICE POLICY UNDER COMMON MARKET DISCUSSED

Director Luecker, CDU deputy member of the Bundestag Food and Agricultural Committee, Chairman of the Agricultural Committee of the European Parliament and member of the European Council, told about 400 leading farmers in Hanover on January 22 that the grain price level in the Common Market area will be under almost constant discussion on national and international levels during the coming months.

He emphasized the German government's opinion that prices for crops, particularly those for grains, should have priority and should not be lowered in an effort to make livestock production more profitable.

He stated, however, that the danger of overproduction in some of the Common Market countries should also be considered and that revisions were necessary in the price structure among the various grains. Mr. Luecker pointed out that other Common Market members are beginning to understand the German position and that a common "Grain Marketing Authority" with import restrictions, stockpiling programs, and price and marketing controls probably will be established.

It is not known what grain price level will be sought under Common Market negotiations. It seems unlikely, however, that the high grain price level can be maintained in the Common Market.

# GUATEMALA REVISES TARIFF SCHEDULE

On January 14, 1959, by Decree 1269 the Guatemalan Government published a new tariff schedule with materially higher new rates of duty. Below are selected comparisons of duty rates on certain agricultural commodities under the old and new schedules.

Commodity	N e w		O l d
	Duty, dollars per gross kilo	Percent Ad valorem	Duty, dollars per gross kilo
Cheese.....	0.50	10	0.15 and <u>1/</u> 0.40
Chicks.....	Free	-	Free
Purebred cattle.....	Free	-	Free
Butter.....	0.60	10	0.20
Milk.....	Free	3	Free
Wheat.....	0.01	10	0.02
Rice.....	0.10	10	0.04
Corn <u>2/</u> .....	0.08	10	0.04
Wheat flour.....	0.06	10	0.03
Onions.....	0.30	10	0.10
Feed concentrates.....	Free	10	Free
Margarine.....	0.50	10	0.15
Hog lard <u>3/</u> .....	0.15	10	0.07
Shortenings.....	0.25	10	0.20
Tobacco.....	1.30	10	1.30 and <u>4/</u> 0.50
Soybean oil.....	0.20	10	0.25
Cigarettes.....	5.00	10	5.00
Cottonseed oil.....	0.20	10	0.25
Tallow.....	0.03	10	0.02
Eggs.....	0.20	10	0.03

1/ Duty for cheese (Kraft type) in packages hermetically sealed. 2/ The Ministry of the Treasury can lower rates when necessary. 3/ The specific duty will be applied during 2 years; 0.20 for the third year; and 0.25 for the fourth year. 4/ Duty for tobacco imported from Central American countries.

## COLOMBIA BANS EXPORT OF BASIC AGRICULTURAL COMMODITIES

The Ministry of Agriculture of Colombia has issued a resolution forbidding the export of the following basic agricultural items: Rice, cacao, beans, wheat, milk and its derivatives; beef and pork, cattle, horses, poultry, goats, and sheep; vegetables, oilseeds, cotton, sugar, and barley.

This measure was adopted in view of the shortage of these products and the continued need to import. It was taken despite efforts of agricultural groups to obtain permission to export from certain parts of the country. Chief export interest has been shown recently by the rice, cotton and cattle producers.

#### PORTUGUESE ALMONDS MOVING SLOWLY

As of mid-January, trade in Portuguese almonds was reported sluggish, with half of the 1958 harvest yet to be sold and much of the 1957 crop still held by speculators.

When the 1958-59 marketing opened September 1, an estimated 2,900 short tons of 1957-crop almonds, shelled basis, were on hand. The trade reports the almond market is unsettled, few sales are being made, and both buyers and sellers are waiting to see which direction the market will take.

Shippers reportedly were asking 53 cents per pound for unselected shelled almonds, f.o.b. Faro, during early January of 1959. Comparable grade almonds were quoted at 44 cents per pound a year earlier.

In 1958, Portuguese almond production amounted to 3,000 short tons, shelled basis, or less than half the 6,200-ton production in 1957. Average production for the 5-year period 1951-55 was 5,000 tons.

Exports of Portuguese almonds for the 1958-59 marketing season are forecast at 3,800 short tons, shelled equivalent. In the 1957-58 season, exports totaled 3,200 tons, shelled equivalent. Exports of 1957-crop shelled almonds during the period September 1, 1957 to August 31, 1958 totaled 2,991 short tons and were shipped to the following destinations:

<u>Country</u>	<u>1957-58 Exports</u>	<u>Value</u>
	<u>Short tons</u>	<u>U. S. Dollars</u>
Belgium-Luxembourg	786	565,345
Canada	80	63,972
Denmark	52	40,519
Germany, West	350	267,473
Netherlands	163	133,074
New Zealand	61	49,383
Sweden	312	265,031
South Africa, Union of	55	44,148
United Kingdom	944	699,884
United States	11	9,074
Other countries	177	154,259
Total	2,991	2,292,162

TURKISH 1958 RAISIN HARVEST  
ABOVE AVERAGE

Raisin production in Turkey during 1958 is estimated as 72,000 short tons--24 percent greater than the 58,000-ton pack of 1957 and about 9 percent above the 1951-55 average of 66,000 tons. The quality of the new pack is reportedly higher than that of 1957 though some of the crop was damaged by rains in August 1958.

RAISINS, Turkey: Supply and distribution, 1957-58 and 1958-59  
forecast, marketing season beginning September 1

Item	1957-58	Forecast 1958-59
	Short tons	Short tons
Beginning stocks.....	22,000	8,000
Production.....	58,000	72,000
Total.....	80,000	80,000
Exports.....	50,900	60,000
Domestic consumption.....	<u>1/</u> 21,100	16,500
End stocks.....	8,000	3,500
Total.....	80,000	80,000

1/ Includes an estimated 7,700 tons 1956-crop raisins diverted to alcohol.

Raisin exports for 1958-59 are forecast as 60,000 tons or about one-fifth more than exports during 1957-58. West Germany, the United Kingdom, Italy, and the Soviet Union are the principal purchasers.

RAISINS, Turkey: Exports by destinations, September 1, 1957-August 31, 1958,  
September 1, 1957-December 31, 1957, September 1, 1958-December 31, 1958

Country of destination	Sept. 1, 1957 - Aug. 31, 1958	Sept. 1, 1957 - Dec. 31, 1957	Sept. 1, 1958 - Dec. 31, 1958
	Short tons	Short tons	Short tons
Austria.....	582	797	1,737
Belgium.....	2,866	1,400	2,618
Czechoslovakia.....	3,775	2,105	617
Finland.....	604	200	1,307
France.....	194	88	1,684
Germany, East.....	2,150	717	3,009
Germany, West.....	10,689	8,033	4,029
Iceland.....	--	--	2,233
Israel.....	1,113	154	--
Italy.....	3,872	3,845	6,602
Netherlands.....	4,404	3,690	2,452
U.S.S.R.....	8,377	2,574	2,205
United Kingdom.....	8,855	6,677	5,018
United States.....	45	45	58
Other countries.....	3,347	3,649	2,089
Total.....	50,873	33,974	35,658

For the period September 1 through December 31, 1958, export licenses were issued for 45,300 short tons of raisins, while 35,658 tons were actually shipped. About 25,000 tons remained to be exported after the New Year. Both raisins and dried figs receive an export premium of 2.80 Turkish Lira per dollar, resulting in an effective exchange rate of 5.60 Turkish Lira per dollar.

F.O.B. export raisin prices are determined from daily market quotations on the Izmir Commercial Exchange to which loading and other costs have been added. These additional charges have been calculated for the 1958-59 season as 3.1 cents per pound. F.O.B. export raisin price averages, with loading and other costs included, for the first 4 months of the 1958-59 season and for January 6, 1959 have been as follows:

<u>Date</u>	<u>Grade No. 9</u>	<u>Grade No. 10</u>
	- - Cents - -	
September 1958	16.4	16.7
October "	17.7	18.1
November "	17.5	17.8
December "	17.3	17.7
January 6, 1959	17.7	18.1

#### NIGERIAN COCOA CROP LARGER THAN EXPECTED

Based on reported purchases through January and other recent information, the 1958-59 Nigerian cocoa bean crop apparently will be considerably larger than expected earlier in the season. It may be some 20 percent above the October estimate of the Foreign Agricultural Service, which was 258 million pounds. The crop now expected may approximate the record of 310 million pounds in 1956-57.

Unusually favorable weather and the effectiveness of chemical sprays are the major factors contributing to this season's high outturn.

#### INDIAN COFFEE PRODUCTION EXPECTED TO RISE

The Chairman of the Indian Coffee Board recently stated that the present Indian coffee production of 43,000 metric tons (94,797,800 pounds) will rise to 60,000 tons (132,276,000 pounds) by 1965. Several problems, such as shortage of curing, processing and transportation facilities, were enumerated which would result from the production increase.

The present curing houses have a capacity of 55,000 tons, but are said to be poorly located relative to coffee growing areas, transport facilities, climatic conditions and availability of labor. Curing capacity has not increased in recent years despite efforts made by the Coffee Board. Consumption of coffee in India, however, has increased from 8,000 tons a year in 1940 to 29,000 tons a year in 1958.

#### CUBA REPORTS SALES OF MOLASSES TO END OF CALENDAR 1958

In its Report No. 24 of December 31, 1958, the Cuban Sugar Stabilization Institute showed the allocation and progress of sales of 1958 crop molasses to the end of the calendar year. Shipments of blackstrap to cover export sales accounted for 167.7 million gallons. Another 71.2 million gallons of blackstrap molasses were sold for local use or manufacture in Cuba and for conversion within Cuba into alcohol for export.

The sum of these 2 quantities, or 238.9 million gallons, is somewhat more than the 230.7 million gallons of blackstrap molasses produced during the 1958 sugar campaign. In addition to the above quantities exported or otherwise utilized, some 16.8 million gallons of blackstrap had been sold for export but not shipped, and another 21.4 million gallons had been authorized for local use or manufacture but were not so used up to that date.

The deficit in current production of blackstrap relative to utilization was covered by drawing on cumulative carryovers from prior seasons. Sales for export not yet covered by shipments probably also will be met out of inventories if shipments can be made before termination dates specified in the sales contracts.

The huge carryover of more than 150 million gallons remaining after the record 1952-crop season has now been worked down to about one-fifth of that quantity.

Although Cuba had authorized the manufacture of up to 100 million gallons of high-test molasses during the 1958 campaign, not quite 87.5 million gallons were made before the date when such manufacture was ordered terminated. Sales of the 1958-crop high-test molasses through December 31, 1958 were 48.4 million gallons, of which 40.6 million gallons had been shipped.

#### DENMARK PLANNING BUTTER AND CHEESE SALES PROMOTION CAMPAIGN

The Danish dairy industry has announced plans to spend about \$1.2 million dollars in 1959 on a promotion campaign to increase foreign and domestic sales of butter and cheese.

About 70 percent of the funds will be used to promote butter sales to the United Kingdom. There will be extensive advertising in the British press, on commercial television, and through large shop displays. The remainder of the funds will be used to promote exports and increased domestic consumption of cheese. The principal export drive on the West German market will be made through demonstrations, films, and other means. Export committees also plan extensive participation in foreign food fairs in 1959.

#### DANISH EGG AND POULTRY PRODUCTION AND TRADE UP IN 1958

Egg production in Denmark in 1958 amounted to 210 million dozen, about 16 million dozen more than in 1957. Exports increased 8 percent to 153 million dozen. West Germany continued to be the largest outlet taking 65 percent of total exports. The U. S. Armed Forces in Europe took about 13 percent, Italy 7 percent, United Kingdom 5 percent, and Switzerland 4 percent. Further efforts will be made during 1959 to improve the quality of eggs so as to increase exports.

Production of commercially dressed poultry in 1958 was 52.9 million pounds, an increase of 29 percent over 1957. Exports totaled 39.7 million pounds, of which 22.0 million went to West Germany. Efforts to improve efficiency in the production of poultry meat will continue to be emphasized during 1959.

#### MILK PRODUCTION RISES IN FINLAND

Milk production in Finland was up significantly in the latter half of 1958 reflecting good feed crops and satisfactory pastures. Milk deliveries to distributors and manufacturing plants in the July-September quarter, 1958, were 2.3 percent above comparable 1957; in October and November, 1958, deliveries were up 11.2 percent.

Butter production during third quarter 1958 at 48.4 million pounds was 3.6 percent above the same period a year earlier. During October and November, the gain was 13.3 percent.

Cheese manufacturers, by mutual agreement kept cheese production below the 1957 level until August, 1958. In the period January-November, 1958, production of cheese in factories totaled 45.6 million pounds compared with 48.7 million pounds and 58.1 million pounds in the same months of 1957 and 1956.

## SOUTH AFRICA REDUCES WOOL STOCK PILE

During the first week in February the South African Wool Board announced the sale of 5,987 bales of wool. Although prices were not disclosed, the Board said the sale would not depress the world market. Prior to the sale the South African wool stock pile totaled approximately 140,000 bales.

## U. S. LARD STILL HIGHEST PRICED ON U. K. MARKET

The Official Market Report of the London Provision Exchange on January 29, 1959, quotes U. S. bulk lard in wooden boxes at \$14.25 to \$14.75 cwt. Quotations on bulk French lard were \$12.13 to \$12.50 cwt., Dutch lard at \$13.38 to \$13.75 cwt., Danish lard at \$13.75 and Belgian lard (fibre boxes) at \$12.63 to \$12.75 cwt.

U. S. lard in half-pound cartons was quoted at \$18.75 to \$20.00 cwt. Half-pound packets of Dutch lard are quoted at \$14.38 to \$15.00 cwt., Danish lard at \$15.00 cwt., and Belgian lard at \$14.06 cwt. Consumer preference for the half-pound size of packaged lard continues strong (see Foreign Crops and Markets, December 15, 1958).

## CANADIAN HOG NUMBERS RISE SHARPLY

On December 1, 1958, Canadian hog numbers reached 6,880,000 head, 33 percent above the same period a year earlier.

Large numbers of hogs on farms and heavy farrowings are expected to push Canadian pork production up sharply during 1959. Canadian exports of pork and pork products to the United States, which rose greatly during the last quarter of 1958, are expected to remain high. However, the expected increase in U. S. pork production during 1959 will probably hold down Canadian exports somewhat.

Canadian cattle numbers, at 10,112,000 head, dropped 2 percent from the same date in 1957. The largest decrease was in western Canada where unprecedented exports of feeder cattle to the United States pushed steer numbers down 19 percent. Canadian steer numbers dropped 15 percent overall. This drop, plus fewer cattle put on feed during 1958, is expected to result in continued low slaughter of cattle in Canada during 1959. This will depend to a great extent, however, upon live cattle exports to the United States.

The reduced supply of slaughter cattle in the last quarter of 1958 and the first weeks of 1959, caused prices of good steers at Toronto to rise to the equivalent of U. S. \$27.40 per hundredweight during the week ended January 31, 1959. This compares with U. S. \$27.00 at Chicago during the same period.

CANADA 1/: Livestock on farms, December 1, 1954-58,  
with percent change from previous year

Year	Cattle		Sheep		Horses		Hogs	
	Number	Change	Number	Change	Number	Change	Number	Change
	1,000	Percent	1,000	Percent	1,000	Percent	1,000	Percent
1954 <u>2/</u> .....	9,655	+3	1,114	+4	887	-10	4,652	+14
1955 <u>2/</u> .....	9,997	+4	1,106	-1	803	-9	4,819	+4
1956.....	10,379	+4	1,079	-2	746	-7	4,561	-3
1957.....	10,293	-1	1,112	+3	702	-6	5,160	+11
1958.....	10,112	-2	1,141	+3	637	-9	6,880	+33

1/ Nine Provinces, excludes Newfoundland. 2/ Revised.

Source: Dominion Bureau of Statistics.

Feeder Cattle: Numbers sold in Canada, 1954-58

Sales to	1954	1955	1956	1957	1958
	1,000	1,000	1,000	1,000	1,000
	<u>head</u>	<u>head</u>	<u>head</u>	<u>head</u>	<u>head</u>
Canadian feeders <u>1/</u> .....	264.8	288.7	387.6	341.7	<u>2/</u> 334.0
U.S. feeders <u>3/</u> .....	18.3	9.5	2.0	254.6	513.1
Total.....	283.1	298.2	389.6	596.3	847.1

1/ Cattle shipped from stockyards to feeders, or direct interprovincial shipments.

2/ Preliminary. 3/ Feeder cattle passed for entry into United States by U.S.D.A.

The high price for slaughter cattle in eastern Canada has resulted in a moderate movement of fed stock from the United States into Canada. During the first 3 weeks of 1959, the United States was a net exporter of slaughter cattle to Canada, although continued movement of feeder cattle from western Canada to U.S. feed lots caused the United States to be an overall net importer of cattle. Reduced cattle numbers and strong demand for beef in Canada are expected to keep U.S. imports of live cattle and beef from Canada during 1959 below their unusually high 1958 levels.

Sheep numbers, at 1,141,000 head, were 3 percent above December 1, 1957. Most of this increase is attributed to a large carryover of 1958 lambs in western Canada. Lambs on Canadian farms at 342,000 head, were 13 percent above December 1957, while sheep over a year old were below the 1957 estimate.

#### CHILE ESTABLISHES NEW REGULATIONS FOR MEAT INDUSTRY

The Chilean Ministry of Economy, on January 5, 1959, specified new governing regulations on beef slaughter operations.

The effect of the new regulations is a liberalization of the Chilean Government's control of the slaughtering industry. The principal points follow:

1. Slaughter shall be free and not under a quota system, although the government reserves the right to enforce quota control in the event of necessity.
2. Days for slaughtering are no longer specified, but slaughter establishments must operate at least 4 days per week.
3. The free movement of meat from a slaughterhouse to the next handler is permitted subject only to pertinent sanitary regulations and a document of free transit.

Some of the first effects of the changes are a slight strengthening of livestock prices with cattle reaching a top of \$14 to \$15 per hundred-weight. Increase in freight rates, however, have offset most of this benefit to producers.

Slaughter numbers are expected to increase under this liberalization and this should hold down wholesale and retail price increases.

Under this system the more efficient slaughterers should gain most of the business without reducing prices to stockmen and possibly effect a price decrease to retail stores. Hope has been expressed that these savings will be passed along to the consumer.

#### BRAZILIAN EXCHANGE RATES -- CORRECTION

In Foreign Crops and Markets for January 26, 1959, it was erroneously reported that the new export exchange rate for castor beans, under the January 10, 1959 revision of the Brazilian exchange rate system, was 100 cruzeiros per U. S. dollars. The correct rate is 70 cruzeiros per dollar, reflecting the reclassification of castor beans from Category III to Category II.

#### NICARAGUA UNIFIES ITS EXCHANGE RATES

Nicaragua has abolished the special export exchange rate which applied to certain minor commodities. Under recent measures, exchange rates for all trade and most invisible transactions are now unified. The official buying (export) rate is 7 cordobas per U. S. dollar; the selling (import) rate is 7.0525 cordobas per dollar.

Formerly, a rate of 6.60 cordobas per dollar applied to certain minor exports. Until September 25, 1958, the 6.60 rate also applied to coffee, Nicaragua's main export.

#### 1959 INTERNATIONAL RICE MEETING BEING HELD IN CEYLON

The third annual meeting of the Consultative Subcommittee on the Economic Aspects of Rice (FAO) is being held this year in Colombo, Ceylon, February 16 to 24. It was preceded by the Fourth Annual session of the International Experts on Rice Grading and Standardization opening on February 12.

The world outlook for rice production and trade in 1959 will be the subject of the discussions. The 1958 session of the Subcommittee was held in Washington last February. Approximately 25 countries having a major interest in rice production and trade will participate. Dexter V. Rivenburgh, Rice Marketing Specialist of the Foreign Agricultural Service, is again serving as the U. S. delegate.

#### LENTIL CROP DAMAGED IN CHILE

The 1958-59 lentil crop in Chile is estimated unofficially at 240,000 bags of 100 pounds each or about 16 percent below a year ago and 16 percent below the 3-year 1954-57 average.

Production in the Coquimbo and Talca provinces has been severely damaged by the "Roya" disease (a rust) which severely damaged Argentina's lentil crop last year. The loss in the provinces named has been estimated as much as 50 percent. Good yields, however, are expected in other areas.

The loss especially in the Talca province may result in low export availability of large lentils in 1959 as these are known to grow in the Talca area. Small lentils are subject to export quota for 1959.

Chile has been one of the world's larger exporters of lentils but the trend has been downward as indicated by the following table.

Lentils: Exports from Chile, averages 1935-39  
and 1951-54, annual 1955, 1956 and 1957,  
and estimated 1958.

<u>Years</u>	<u>1,000 bags 1/</u>
Av. 1935-39	735
Av. 1951-54	253
1955	224
1956	271
1957	235
2/ 1958	200

1/ 100 pounds each.

2/ Estimated.

#### INDIA EXPECTS BUMPER WHEAT CROP

A bumper 1959 wheat crop is expected in India. The crop has had generally good growing conditions and recent rains should assure a good outturn. Harvesting begins in March. Production of wheat in 1958 was estimated at 300 million bushels which was well below the 3 preceding harvests. The 1957 crop was at the alltime high of 348 million bushels. Last year's crop was, however, considerably above the 1950-54 average of 254 million bushels.

#### BELGIUM-LUXEMBOURG'S RICE IMPORTS DECLINE

Rice imports into Belgium-Luxembourg during the first 8 months of 1958, at 32, 730 metric tons, were down sharply from the 42,438 tons imported in the corresponding months of 1957. The decline was entirely in imports of rice classified as milled, for human consumption. Imports classified as "broken rice" and "other rice" increased slightly.

Imports from the United States dropped from 20,155 tons to 1,527 tons. Though the principal decline was in milled rice for human consumption, imports of broken and other rice also dropped to insignificant amounts.

A reduction in rice imports from the United States and Argentina was partly offset by increased takings from Egypt, Burma, Thailand, and "other countries". These imports were of "broken rice" and "other rice".

RICE: Imports into Belgium-Luxembourg, by country of origin, and  
by classification, January-August 1958, with comparisons

Country of origin	1956	1957	January-August	
			1957	1958
	Metric tons	Metric tons	Metric tons	Metric tons
Paddy, or brown:	5	1,453	10	53
Milled:				
Argentina.....	12,888	3,544	2,796	245
Burma.....	15,907	21,614	10,728	13,434
Egypt.....	1/	1/	1/	3,579
Italy.....	1/	155	130	2/
Netherlands.....	276	99	29	182
Thailand.....	639	8,060	6,309	7,575
United States.....	3/ 44,525	23,629	20,155	1,527
Other countries.....	8,375	4,745	2,281	4/ 6,135
Total.....	82,610	61,846	42,428	32,677
By classification				
Milled, for human consumption:				
Argentina.....	--	1,827	1,360	245
Burma.....	--	1,009	0	1/
Netherlands.....	--	83	29	182
Thailand.....	--	2,522	2,386	1/
United States.....	--	10,470	9,633	834
Other countries.....	--	2,542	1,838	4/ 2,720
Total.....	--	18,453	15,246	3,981
Broken rice:				
Argentina.....	--	1,397	1,367	1/
Burma.....	--	20,552	10,728	13,434
Thailand.....	--	4,692	3,923	5,832
United States.....	--	5,012	4,013	1/
Other countries.....	--	791	466	2,577
Total.....	--	32,444	20,497	21,843
Other rice:				
Egypt.....	--	1/	1/	2,496
France.....	--	1/	1/	1,089
Italy.....	--	155	130	1/
Thailand.....	--	846	2/	1,743
United States.....	--	8,147	6,469	693
Other countries.....	--	1,801	86	832
Total.....	--	10,949	6,685	6,853

1/ If any, included in "other countries". 2/ Less than 0.5 ton. 3/ Probably contains a large amount of ground rough rice for animal feed. 4/ Includes 1,615 tons from Hungary.

# DROUGHT CUTS PERU'S 1959 GRAIN PROSPECTS

Drought in Peru is reducing prospects for the 1959 grain crop. The present outlook is for below-normal crops because a shortage of rainfall has lowered the water available for irrigation in the coastal valleys, as well as that available for dry land and irrigation farming in the Sierras.

The drought, which first became apparent late in 1958, has continued throughout most of the agricultural areas of the country. Drought and freeze damage has been most severe in southern and central regions. Predictions are that crops in those regions may be only half as large as in 1958.

## DANISH GRASS AND LEGUME SEED MARKET QUIET

Prices of most grass and legume seeds in Denmark reached their peak in September and declined gradually until the middle of December. Since then, several prices have increased, while other have weakened slightly.

The germination of the 1958 seed crop is rather poor, principally because of the adverse conditions under which the Danish seed crops were harvested. Prices are commensurate with the degree of germination.

### GRASS AND LEGUME SEEDS: Danish wholesale prices, mid-month, August 1958, through January 1959

Kind of seed	: August	: September	: October	: November	: December	: January
	:	:	:	:	:	:
	(Dollars per 100-pounds)					
Orchard grass.....	19.05	21.35	19.70	19.21	18.72	17.73
Meadow fescue.....	21.02	27.09	26.44	25.45	25.62	26.93
Perennial ryegrass (early)...	10.84	16.25	14.61	13.30	13.14	13.63
Perennial ryegrass (late)...	12.81	18.06	17.73	16.75	15.76	16.26
Common ryegrass.....	13.79	18.06	18.06	15.93	15.76	15.60
Timothy.....	--	32.18	33.50	34.00	33.50	32.84
Danish bluegrass.....	23.97	24.96	25.29	22.00	22.00	24.14
Kentucky bluegrass.....	29.56	31.69	31.69	30.54	31.20	29.88
Red fescue.....	--	22.66	21.35	20.69	19.05	17.57
Red clover (early).....	--	--	--	67.32	67.32	67.32
Red clover (semi-late).....	--	53.20	59.11	57.47	55.83	57.47
White clover.....	--	75.53	57.47	54.19	52.55	55.50
Alsike clover.....	--	--	--	--	54.19	52.55
Black medic.....	--	29.23	28.24	26.27	25.62	25.62

SPAIN EXPORTS  
RICE TO JAPAN

Spain will export 20,000 metric tons of rice to Japan in July, under a provisional barter agreement. The rice, valued at \$2.5 million, is to be exchanged for Japanese steel products, non-ferrous metals, vehicles and chemical products.

The export volume to Japan may be increased. Wholesale prices at Valencia in early January were (dollars per 100 pounds): Balilla, 5.67; current mixed white, 5.83; first grade, 8.64, and selected, 8.91.

JAPAN REDUCES  
RICE IMPORTS

Japan's rice imports are to be cut sharply in Japanese fiscal year 1959 (April 1, 1959 - March 31, 1960), according to a January 16 announcement of the Food Agency, Ministry of Agriculture and Forestry. The latter's plan for the Food Control Special Account for Japanese fiscal year 1959 - with rice imports reduced to 317,000 metric tons - will be submitted to the Diet for approval before March 31.

Rice imports will be held to a minimum after consideration of production, collection and carryover stocks of rice, wheat and barley. Following is the plan for imports and prices of imports from April 1959 to March 1, 1960, compared with planned and actual imports in the preceding year:

Type	Japanese fiscal year 1958				Japanese FY 1959	
	Original plan		Actual 1/		Plan	
	Amount	Price	Amount	Price	Amount	Price
	Metric tons	\$ per M. ton	Metric tons	\$ per M. ton	Metric tons	\$ per M. ton
Short grain.....	449.4	159.1	384.8	156.1	193.8	158.1
Long grain.....	185.0	146.7	71.1	130.1	94.4	127.7
Broken rice.....	31.7	116.0	18.0	116.6	28.8	116.7
Total.....	666.1	--	473.9	--	317.0	--

1/ Preliminary.

The plan for Government-handled rice for Japanese fiscal year 1959 is (1,000 metric tons): April 1 carryover stocks, 3,071; purchases, 4,801; sales, 5,031; March 31 carryover stocks, 2,841.

The ration of indigenous rice was increased from 14 days per month to 15 days per month on January 1, 1959. The 15-day ration will continue until November 1, when it will again be for 14 days, since it is considered safer to forecast the 1959 rice crop somewhat lower than in 1958. One day's ration is 365 grams (12.87 ounces) of milled rice.

#### PERU TO CONTINUE RICE IMPORTS

Peru will need to import at least 30,000 metric tons of milled rice in the 1959-60 (July-June) marketing year. The 1959 rice crop, harvested from May into August, is tentatively forecast at 150,000 metric tons, a decrease of 30,000 metric tons from the year before. The outlook is poor because of lack of rainfall in principal growing areas.

The 1958 crop was much larger than predicted. Water apparently became available in time to get in most plantings, since acreage increased to 161,000 acres from 148,000 acres in 1957. Production turned out to be a near-record 180,000 metric tons of milled rice (595 million pounds rough), compared with 158,000 tons in 1957, and a record 189,000 tons in 1953.

Peruvian rice consumption is expected to increase 3 percent in 1959-60. At steady prices the increase would be greater. However, the government has announced a 25-percent price rise to producers for the 1959 rough rice crop. This will result in an increase in retail prices.

#### RICE (milled): Peruvian estimated supply and distribution, July-June, 1955-56 to 1960-61

Item	: 1955-56:	: 1956-57:	: 1957-58:	: 1958-59:	: 1959-60:	: 1960-61
	: 1/	: 2/	: 2/			
	: Metric	: Metric	: Metric	: Metric	: Metric	: Metric
	: tons	: tons	: tons	: tons	: tons	: tons
Production.....	: 163,000:	: 158,000:	: 158,000:	: 180,000:	: 150,000:	: 190,000
Beginning stocks.....	: 34,800:	: 33,400:	: 23,400:	: 24,000:	: 38,000:	: 18,000
Imports.....	: 27:	: 7,151:	: 28,176:	: 30,000:	: 30,000:	: 20,000
Total supply.....	: 197,827:	: 198,551:	: 209,576:	: 234,000:	: 218,000:	: 228,000
Apparent disappearance	: :	: :	: :	: :	: :	: :
Seed and other 3/.....	: 4,927:	: 5,151:	: 5,576:	: 6,000:	: 4,000:	: 5,500
Food.....	: 159,500:	: 170,000:	: 180,000:	: 190,000:	: 196,000:	: 200,000
Total.....	: 164,427:	: 175,151:	: 185,576:	: 196,000:	: 200,000:	: 205,500
Ending stocks.....	: 33,400:	: 23,400:	: 24,000:	: 38,000:	: 18,000:	: 22,500
Total distribution.....	: 197,827:	: 198,551:	: 209,576:	: 234,000:	: 218,000:	: 228,000

1/ Preliminary. 2/ Forecast. 3/ Includes estimated losses in storage and transit.

Rice consumption in 1958-59 increased approximately 5.5 percent - partly due to the favorable public reception of rice imported from the United States. The rice was sold at the same price as local rice, although superior in quality. Other factors were rising prices of other foods, and an apparent long-time trend in rising consumption as a result of people moving to the coast from the mountains.

Of the total rice consumption for food in 1958-59, estimated at 190,000 tons, about 78 percent was in the coastal regions - Lima's consumption was about 44 percent of Peru's and nearly 50 percent of that in coastal areas - 20 percent was in the Andean mountain area, and 2 percent in the jungle.

Since 1954 the Agricultural Bank has financed all commercial marketings of rice in Peru, although the actual purchase and marketing continues entirely under the direction of the Caja de Depositos y Consignaciones. The Agricultural Bank also makes loans for the improvement of rice production.

#### AUSTRALIAN WHEAT AND FLOUR EXPORTS BELOW LAST YEAR

Australian wheat and flour exports during July-December 1958 are preliminarily estimated to be sharply below the 1,067,000 long tons (40 million bushels) exported during the first 6 months of the 1957-58 fiscal year.

Shipments of both wheat and flour were low during the 12-month period ending June 30, 1958. They continued low during the first part of the current fiscal year. However, a good crop was harvested late in 1958 and exportable supplies increased considerably.

Exports during December-November 1957-58 (Australia's marketing year) are estimated to be about 1,446,000 tons (54 million bushels) - the smallest amount exported during any marketing year since 1946-47 when they reached a low of 1,232,000 tons (46 million bushels). It is reported that 130 million bushels will be available for export, either in grain or as flour, during the current marketing year (December 1, 1958 - November 30, 1959).

Australia may have difficulty in finding markets for 130 million bushels available for export, and may establish a plan to offer wheat on longterm credit to India and other Asian countries. The United States and Canada now have plans for sales of wheat on longterm credit.

Wheat exports during July-September 1958 were slightly above those in the comparable months in 1957. Flour exports were sharply reduced from those of a year earlier. Country of destination is not available later than September 1958.

WHEAT AND FLOUR: Australian exports by country of destination,  
July-September 1957 and July-September 1958

Destination	July-September 1957			July-September 1958		
	Wheat	Flour 1/	Total	Wheat	Flour 1/	Total
	Long tons	Long tons	Long tons	Long tons	Long tons	Long tons
Europe:						
Ireland .....	4,138:	—	4,138:	8,604:	—	8,604
United Kingdom .....	97,432:	15,618:	113,050:	124,603:	11,787:	136,390
Malta .....	8,885:	—	8,885:	—	—	—
Total 2/ .....	110,455:	15,618:	126,073:	133,207:	11,787:	144,994
Asia:						
Aden .....	720:	9,516:	10,236:	1,895:	11,765:	13,660
Burma .....	—	8,269:	8,269:	—	4,099:	4,099
Ceylon .....	50:	54,275:	54,325:	74:	804:	878
China (Mainland) .....	—	156:	156:	8,500:	68:	8,568
Hong Kong .....	9,442:	2,206:	11,648:	13,540:	1,115:	14,655
India .....	6,050:	546:	6,596:	100:	54:	154
Indonesia .....	—	16,431:	16,431:	—	5,674:	5,674
Iran .....	11,304:	82:	11,386:	—	224:	224
Iraq .....	2,426:	—	2,426:	7,012:	—	7,012
Japan .....	36,575:	—	36,575:	58,612:	—	58,612
Kuwait .....	—	3,386:	3,386:	—	3,540:	3,540
Saudi Arabia .....	550:	413:	963:	510:	563:	1,073
Arabia, n.e.s. ....	155:	1,163:	1,318:	519:	2,925:	3,444
Malaya & Singapore ...	5,363:	35,390:	40,753:	8,100:	43,845:	51,945
Pakistan .....	53,053:	156:	53,209:	—	—	—
Philippine Republic ..	—	11,008:	11,008:	—	1,267:	1,267
Thailand .....	39:	5,973:	6,012:	75:	6,845:	6,920
Total 2/ .....	125,727:	148,970:	274,697:	98,937:	82,788:	181,725
Africa:						
British East Africa ..	80:	2,775:	2,855:	88:	1,594:	1,682
Mauritius .....	—	3,444:	3,444:	—	5,510:	5,510
Mozambique .....	8,818:	277:	9,095:	—	71:	71
Rhodesia & Nyasaland..	8,172:	500:	8,672:	9,377:	475:	9,852
Sudan .....	—	12,126:	12,126:	—	—	—
Total 2/ .....	17,070:	19,122:	36,192:	9,465:	7,650:	17,115
Oceania:						
New Zealand and Dependencies .....	62,018:	573:	62,591:	62,533:	889:	63,422
British Oceania .....	—	4,914:	4,914:	131:	5,007:	5,138
French Pacific .....	108:	3,813:	3,921:	11,620:	270:	11,890
Total 2/ .....	62,126:	9,300:	71,426:	74,284:	6,166:	80,450
Unspecified .....	128:	5,007:	5,135:	316:	4,524:	4,840
World total .....	315,506:	198,017:	513,523:	316,209:	112,915:	429,124
Equivalent, 1000 bushels:	11,779:	7,392:	19,171:	11,805:	4,216:	16,021

1/ Grain equivalent. 2/ Total of listed countries, only.

Compiled from official and other sources.

## TURKISH FILBERT EXPORT SALES LAG

Contrary to earlier reports, Turkish filberts are again subject to minimum export prices set by the Filbert Sales Cooperative. Early in the 1958-59 season, export prices for 1958-crop shelled filberts were established at 40.8 cents per pound, f.o.b. Turkish port, while carried-over 1957-crop shelled filberts were pegged at 37.6 cents per pound. By mid-October, the market price for new-crop filbert kernels declined to 38.6 cents when many buyers were withholding their purchases. On November 9, the Cooperative reduced the export price to 38.6 cents. However, Turkish filberts have since been quoted as low as 35.5 cents in European markets but have recently strengthened to 37.5 cents, f.o.b. Turkish port.

Licensed Turkish private filbert exporters were again authorized to engage in the filbert export trade as of September 1958. This reversed the ruling of November of 1957, which made the Filbert Sales Cooperative sole agent for export sales.

The 1958 Turkish filbert harvest, estimated as 120,000 short tons unshelled, while much larger than the 81,000-ton output of the preceding year, was well under the 1956 bumper production of 143,000 tons. 1958 is an "on" year in the production cycle and longterm prospects are for an upward trend in production as newly planted bushes reach bearing age.

Turkish filbert exports during 1957-58 amounted to 36,701 tons shelled, and 850 tons unshelled. Shelled filbert exports according to destination for 1957-58 and for the period September 1 - December 10, 1958 were:

FILBERTS, SHELLED: Turkey, exports according to destination,  
Sept. 1, 1957 - Aug. 31, 1958 and Sept. 1 - Dec. 10, 1958

Country of Destination	Sept. 1, 1957- Aug. 31, 1958	Sept. 1, 1958- Dec. 10, 1958
	Short tons	Short tons
Austria.....	2,886	387
Belgium.....	539	858
Czechoslovakia.....	1,945	110
France.....	197	1,265
Germany, East.....	2,447	1,213
Germany, West.....	10,127	9,829
Israel.....	2,094	--
Italy.....	1,538	--
Norway.....	--	1,383
Switzerland.....	3,460	1,369
United Kingdom.....	4,889	22
United States.....	3,737	95
Other countries.....	2,842	1,785
Total.....	36,701	18,316

Exports of Turkish filberts during 1958-59 are forecast as 90,000 tons, in-shell equivalent, compared with 74,500 tons in 1957-58.

## MEDITERRANEAN FRUIT EXPORTERS SEEK COMMON MARKET CONCESSIONS

Israel and Greece, both important fruit exporting countries, are asking the European Economic Community to alleviate the effect of the Common Market treaty on their export trade.

Israel has requested that its citrus receive the same treatment as shipments within the Common Market. Following the first tariff revision of the treaty, Algerian and Italian citrus enters West Germany and the Benelux countries at lower rates than does Israeli fruit. In contrast, France which must lower its external duties to reach the agreed rate of 20 percent ad valorem will still have the same rates to Italy and to Israel. This first step is a 10-percent reduction, setting France's duty at  $31\frac{1}{2}$  percent.

Greece will enter into negotiations with France, West Germany, and Italy to seek bilateral agreements with each of these countries to help overcome the problems raised for Greece's export trade by the Common Market treaty.

As yet there have been no indications as to how the Israeli and Greek representations will be received by the governing body of the Common Market or the individual countries involved. France has been reported sympathetic to Greece's problems.

## GREEK CITRUS EXPORTS DOWN

Exports of citrus fruits from Greece are running below last year. Tangerines show a gain but oranges are down sufficiently to offset this increase. Combined orange and tangerine exports through January 15 were 10 percent lower than at the comparable date last year. Lemon exports decreased 17 percent for the same period.

Total exports through January 15, were:

	1958	1959
	- - <u>1,000 boxes</u> - -	
Oranges	259	180
Tangerines	158	195
Lemons	234	195

## PAKISTAN AND INDONESIA EXTEND TRADE AGREEMENT

Pakistan has announced a 6-months extension of its trade agreement with Indonesia.

The agreement was originally enacted for the calendar year 1953 and has been extended by the 2 governments since that time. Under this agreement, Pakistan exports raw cotton, dates, sports goods, jute bags, hessian cloth and cottage industry products to Indonesia. Indonesia furnishes Pakistan with sugar, copra, spices, rubber, essential oils, timber and tin.

#### NIGERIAN PEANUT PURCHASES DOWN, PALM KERNEL AND PALM OIL UP

Commercial purchases of Nigerian peanuts in 1958-59 are currently estimated at 560,000 short tons, shelled, 55,000 tons below earlier estimates (see Foreign Crops and Markets, October 20, 1958) and almost one-third below purchases in 1957-58. However, the quantity available for export will be almost as large as the quantity exported in 1957-58 because of the large carry-over from last year.

#### PEANUTS (SHELLED): Nigeria, supply and distribution of commercial crop, 1957-58 and 1958-59

	1957-58	1958-59 <sup>1/</sup>
	<u>Short tons</u>	<u>Short tons</u>
Supply:		
Opening stocks, October 1.....	0	112,000
Purchases.....	800,460	560,000
<u>Total supply.....</u>	<u>800,460</u>	<u>672,000</u>
Distribution:		
Exports.....	570,860	554,000
Crushing (Kano mills).....	117,600	118,000
Ending stocks, September 30.....	112,000	0
<u>Total distribution.....</u>	<u>800,460</u>	<u>672,000</u>
<sup>1/</sup> Preliminary estimate		

Palm kernel purchases in calendar 1958 totaled 515,125 tons, up more than 10 percent from 1957. Preliminary data indicate 504,380 tons were shipped in 1958.

Purchases of palm oil in 1958 were 212,736 tons compared with 199,910 tons the previous year. Exports in 1958 totaled 189,568 tons, according to preliminary data.

Commercial production of sesame seed is expected to approximate that of 1957-58 when purchases totaled 17,900 tons. Exports in 1958 totaled 13,450 tons.

Soybean production in 1958-59 was seriously hampered by dry weather and purchases are expected to be down somewhat from the 521,920 bushels purchased in 1957-58. Soybean exports in 1958 totaled 529,230 bushels.

# WEST GERMAN LIVESTOCK NUMBERS DECLINING

The West German 1958 December livestock census reflected significant changes from a year earlier. Hog numbers, at 14.65 million were down 5 percent, or 772,000 head, but cattle numbers at 12.04 million showed a slight increase. Sheep and horse numbers continued to decline.

The downturn in hog numbers which started in September 1958 came after 2 years of steady increases. Pigs, plus feeder and slaughter hogs, accounted for the bulk of the decline but bred sow numbers also fell about 9 percent from the previous year's level. These data indicate a million-head decrease in 1959 slaughter from the 19.6 million-head slaughter of 1958. Bred sows under one year old declined 18 percent and hog numbers apparently should decline cyclically through 1959.

With a decline in slaughter in prospect, pork prices have already strengthened. In view of the supply factor and the appeal of meat trade organizations for greater liberalization of imports (see Foreign Crops and Markets, February 2, 1959), the Ministry of Agriculture has announced that a more liberal import policy will be followed in 1959. This should favor U. S. exports of variety meats, specifically pork variety meats, fat back and lard.

Cattle slaughter in the last half of 1958 was lower than in the same period a year earlier, but slaughter in 1959 forecast at 3.1 million head (excluding calves), is expected to be about 2 percent above 1958.

LIVESTOCK NUMBERS: West Germany 1/, December 3, 1954-58,  
with change from previous year

Year	Cattle		Hogs		Sheep		Horses	
	Number :1,000	Change :Percent	Number :1,000	Change :Percent	Number :1,000	Change :Percent	Number :1,000	Change :Percent
1954.....	11,521	-1	14,525	+17	1,226	-9	1,172	-8
1955.....	11,552	--	14,593	--	1,188	-3	1,098	-6
1956.....	11,815	+2	14,408	-1	1,146	-4	1,025	-7
1957.....	11,948	+1	15,418	+7	1,127	-2	966	-6
1958 <u>2/</u> .....	12,040	+1	14,650	-5	1,103	-2	906	-6

1/ 9 provinces, excludes Saarland and West Berlin. 2/ Preliminary figures.

PAKISTAN RELEASES FIRST ACREAGE ESTIMATE  
FOR 1958-59 RAPESEED AND MUSTARD SEED

The area planted to rapeseed and mustard seed in Pakistan for the 1958-59 crop is 1,764,000 acres, according to the first official estimate. This is only slightly less than the 1,766,000 acres of the corresponding estimate for the previous year. The revised final estimate for 1957-58 was 1,808,000 acres.

YUGOSLAVIA INCREASES ESTIMATE  
FOR 1958 SUNFLOWER SEED CROP

An official estimate of February 3 places the 1958 Yugoslavia output of sunflower seed at 87,750 short tons. This is somewhat above earlier estimates of around 75,000 tons, but 15 percent below 1957.

GERMAN GRAIN IMPORT  
POLICIES CRITICIZED

A.C. Toepfer of Hamburg, a leading West German grain importer, recently took the establishment of non-resident convertibility of the Deutschmark as occasion to recommend again changes in the German grains and feed import policy.

In his January Market Report he said the question of licensing agricultural imports in relation to the allocation of foreign currency should be examined promptly.

He furthermore requested a simplification of the import procedure for agricultural commodities still under government control and said imports of oilseed residues for feeding could be taken out of government control entirely. Most importantly, however, Mr. Toepfer opposed the grain import procedure hitherto used by the German Government in which rigid quotas are given to supplying countries. He called this procedure "the most primitive level of international trade, namely, using grain as a means of payment."

SUDAN'S 1958-59 COTTON  
CROP NEAR RECORD HIGH

The 1958-59 cotton crop in Sudan is now estimated at 616,000 bales (500 pounds gross). This is a substantial increase from last year's poor crop of 225,000 bales, and only slightly below the record 617,000 bales produced in 1956-57. With the large carryover of 309,000 bales on August 1, 1958, total supply in Sudan for 1958-59 is expected to be about 925,000 bales, more than 30 percent larger than the 1957-58 supply of 704,000 bales.

Practically all of this year's increase was in the extra long staple types, production of which amounted to 558,000 bales, in contrast to only 165,000 bales in 1957-58. The larger extra long staple crop resulted from increased plantings--from 514,000 acres in 1957-58 to 637,000 acres this year, and more favorable growing conditions.

The first phase of the irrigated Managil Extension, which included about 67,000 acres of cotton, was completed in time for use in 1958-59. Plans call for an additional 67,000 acres of cotton to be brought into production in each of the next 3 years as other phases of the extension are completed.

Production of American-type (upland) cotton, mostly raingrown, amounted to 57,000 bales in 1958-59, up slightly from the 55,000 bales produced last year. The area planted to American-type has increased in recent years because of the relatively better demand for upland cotton. This season, 252,000 acres were planted to American-type, compared with 214,000 last year, and 167,000 in 1956-57.

Cotton exports from the Sudan during the first 4 months (August-November) of the current season were 92,000 bales, compared with 96,000 bales a year earlier.

Principal destinations of the August-November 1958 exports, with comparable 1957 figures in parentheses, were: the United Kingdom 38,000 bales (27,000); India 16,000 (20,000); West Germany 8,000 (5,000); France 8,000 (13,000); Communist China 3,000 (10,000); Czechoslovakia 3,000 (3,000); Italy 3,000 (8,000); and the Netherlands 2,000 (1,000).

The Gezira Board discontinued all minimum reserve prices on extra long staple cotton on January 29, after progressive reductions in these prices in recent months failed to stimulate the lagging sales of Sudanese cotton. According to late reports, market prospects have improved since the removal of these prices, especially for low grade, extra long staples which are now highly competitive.

In view of the larger current crop and the depressed market for extra long staple cotton, stocks at the end of 1958-59 are expected to be substantially above the 309,000 bales held on July 31, 1958. Annual cotton consumption in Sudan usually amounts to 5,000 bales or less. Increasing production in the face of mounting stocks, weak export demand, and keen competition offered by Egypt may result in further export disposal difficulties in coming years.

#### TRANSSHIPMENTS OF MEXICAN COTTON CONTINUE TO RISE IN 1958-59

Transshipments of Mexican cotton through U. S. ports in October 1958, were 104,000 bales (500 pounds gross). This was an increase of 24 percent from September transshipments of 84,000 bales, but 19 percent below the movement of 128,000 bales in October 1957. Transshipments during August-October 1958, were 269,000 bales, compared with 261,000 bales in the corresponding 1957 period.

Principal destinations of the August-October 1958, transshipments with comparable 1957 figures in parentheses, were: West Germany 78,000 bales (64,000); Italy 42,000 (15,000); United Kingdom 40,000 (50,000); Belgium 29,000 (41,000); and Switzerland 16,000 (15,000).

#### IRAQ PRODUCES LESS COTTON IN 1958-59

The 1958-59 cotton crop in Iraq is currently estimated at 40,000 bales (500 pounds gross). This is well below last year's record crop of 65,000 bales, although 11 percent above 1956-57 production of 36,000 bales. The smaller crop is attributed mainly to reduced plantings--from 160,000 acres in 1957-58 to 139,000 acres this season. The acreage decline occurred in northern Iraq because of a shortage of irrigation water and a locust attack at planting time. Cotton acreage increased in central and southern Iraq.

All cotton produced in Iraq is American upland type. Over two-thirds of the 1958-59 crop was of the Coker Wilt variety, and the remainder was Rogers Acala. At present there are 8 gins operating in Iraq--5 in Baghdad 2 in Mosul, and 1 in Kirkuk.

Cotton consumption during the current season is expected to be about the same or slightly higher than the 1957-58 level of 30,000 bales. The 2 spinning and weaving mills in Iraq, which have a total of 52,000 spindles and 1,281 looms installed, account for most of the consumption. Some cotton is used in hand spinning shops and in cottage industries for padding in quilts, mattresses, and furniture.

As a result of the smaller crop this season, cotton exports from Iraq will probably be considerably below 1957-58 exports of about 29,000 bales. Most of Iraq's cotton moves to the United Kingdom.

#### CANADIAN MARGARINE AND SHORTENING OUTPUT UP IN 1958

Canadian margarine production in 1958 totaled 145.6 million pounds, up more than 10 percent from the 130.6 million pounds in 1957, according to the Dominion Bureau of Statistics. The output of shortening in 1958--at 163.3 million pounds--was 11.2 million pounds greater than the 1957 output.

The quantity of soybean oil used in making margarine and shortening increased sharply, while the quantity of cottonseed oil used dropped by one-third. Lower prices for soybean oil and increased prices for cottonseed oil from the United States probably account for the decline.

OILS AND FATS: Canada, consumption in margarine and shortening,  
1957 and 1958

Commodity	Margarine		Shortening	
	1957	1958 <sup>1/</sup>	1957	1958 <sup>1/</sup>
	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Vegetable oils:				
Soybean.....	44,055	53,232	41,378	52,695
Cottonseed.....	7,707	4,373	11,026	8,123
Coconut.....	17,116	16,863	4,048	3,744
Palm and palm kernel.....	16,002	16,982	13,565	16,273
Other.....	84	5,280	1,456	8,062
Total.....	84 964	96 730	71 473	88 897
Marine oils.....	17,070	19,806	26,377	16,741
Animal fats.....	3,845	1,357	55,567	60,956
Grand total.....	105,879	117,893	153,417	166,594

<sup>1/</sup> Preliminary.

Source: Dominion Bureau of Statistics.

Canada crushed 14.0 million bushels of soybeans in 1958, up 5 percent from 1957. The 1958 outturn of soybean oil was 147.6 million pounds, and the outturn of meal was 331,000 short tons.

Crushings of flaxseed during 1958 totaled 3.72 million bushels, up slightly from the 3.66 million bushels crushed the previous year. The 1958 crushings produced 72.8 million pounds of linseed oil and 65,010 tons of linseed meal.

#### INDIA ANNOUNCES EXPORT QUOTA FOR PEANUTS AND PEANUT OIL

India, on January 29, announced additional export quotas for HPS (hand-picked-select) peanuts (kernels only) and peanut oil for shipment through June 1959. Holders of quotas for peanuts will be allowed an additional quota of 2 tons of HPS peanuts for each ton of peanuts shipped during the preceding season prior to September of 1958. Only 1,326 short tons of peanuts were exported during this period.

Similarly, exporters of peanut oil will be granted quotas for 3 tons of peanut oil for each ton exported in the preceding season through September 1958. A total of 2,125 short tons of peanut oil was exported in this period, thus the quota is for about 6,375 short tons.

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FRANCE FURTHER LIBERALIZES DOLLAR  
IMPORTS OF FARM PRODUCTS

A third list of commodities which can be imported from the United States and Canada without quantitative restrictions was published by the French Government in January. Oilcakes and meal are the agricultural items of greatest interest to the United States on this list. Others include egg yolks, unsweetened for industrial use; several inedible animal products, including casings, flower bulbs, sugarbeet seed, and casein. The major agricultural item included in the 2 lists published in December was cotton (see Foreign Crops and Markets, January 19, 1959).

CZECH TRADE MISSION  
ARRIVES IN COLOMBIA

The Czech trade mission which arrived in Bogota January 16 has been conferring with government and trade officials to arrange for the possible barter of Czech mining, textile and agricultural machinery for Colombian coffee. Reports have placed the possible valuation involved at from US\$10 million to \$15 million annually.

UNITED STATES DEPARTMENT OF AGRICULTURE

WASHINGTON 25, D. C.

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